

AMENDED IN ASSEMBLY MAY 11, 2015

CALIFORNIA LEGISLATURE—2015–16 REGULAR SESSION

Assembly Concurrent Resolution

No. 47

Introduced by Assembly Member Chau

(Coauthors: Assembly Members Achadjian, Alejo, Travis Allen, Baker, Bigelow, Bloom, Bonilla, Bonta, Brough, Brown, Burke, Calderon, Campos, Chang, Chávez, Chiu, Chu, Cooley, Cooper, Dababneh, Dahle, Daly, Dodd, Eggman, Frazier, Beth Gaines, Gallagher, Cristina Garcia, Eduardo Garcia, Gatto, Gipson, Gomez, Gonzalez, Gordon, Gray, Grove, Hadley, Harper, Roger Hernández, Holden, Irwin, Jones, Kim, Lackey, Levine, Linder, Lopez, Low, Maienschein, Mathis, Mayes, McCarty, Medina, Melendez, Mullin, Nazarian, Obernolte, Olsen, Patterson, Perea, Quirk, Rendon, Ridley-Thomas, Rodriguez, Salas, Santiago, Steinorth, Mark Stone, Thurmond, Ting, Wagner, Waldron, Weber, Wilk, Williams, and Wood)

March 18, 2015

Assembly Concurrent Resolution No. 47—Relative to 529 College Savings Day.

LEGISLATIVE COUNSEL’S DIGEST

ACR 47, as amended, Chau. 529 College Savings Day.

This measure would designate May 29, 2015, as 529 College Savings Day, to raise awareness about the importance of saving for college with the help of 529 college savings plans.

Fiscal committee: no.

- 1 WHEREAS, 529 college savings plans are important tools for
- 2 California families that want to save for their children’s college

1 education, offering a diverse range of investment options,
2 tax-deferred growth, and withdrawals free of state and federal
3 taxes when those withdrawals are used for qualified higher
4 education expenses such as tuition, fees, books, certain room and
5 board costs, and required supplies; and

6 WHEREAS, While the first college savings plans were
7 developed by states in 1988 as innovative programs designed to
8 help families and students save for higher education expenses, it
9 was not until the enactment of Section 529 of the Internal Revenue
10 Code by Congress in 1996 that college savings plans began to
11 rapidly gain popularity across the country; and

12 WHEREAS, Today, 49 states and the District of Columbia offer
13 529 college savings plans, nearly 12 million 529 accounts have
14 been opened, more than \$244 billion have been saved for future
15 higher education expenses, and more than one million students
16 nationwide have withdrawn funds from 529 accounts to help pay
17 higher education expenses; and

18 WHEREAS, The ScholarShare College Savings Plan, which
19 has served as California's official state-sponsored 529 college
20 savings plan since its launch in 1999, has grown to more than \$6.3
21 billion in total plan assets held in over 260,000 ScholarShare
22 accounts; and

23 WHEREAS, The ScholarShare College Savings Plan has helped
24 students meet their higher education goals with nearly \$300 million
25 withdrawn annually for qualified higher education expenses at
26 over 958 colleges and universities; and

27 WHEREAS, In California, over the past 10 years, tuition rates
28 at the University of California, the California State University,
29 and the California Community Colleges have increased 114
30 percent, 117 percent, and 130 percent, respectively, and over the
31 past 40 years, tuition rates have consistently increased at two to
32 three times the rate of inflation every year; and

33 WHEREAS, Federal financial aid awards have shifted away
34 from student grants to providing access to guaranteed student loans
35 so that, today, nearly 60 percent of all federal financial aid is in
36 the form of loans, substantially increasing the number of college
37 graduates who will face the burden of repaying significant student
38 loan debt upon entering the workforce; and

39 WHEREAS, State support for public colleges and universities
40 has fallen over the past decade, primarily due to the economic

1 recession and budgetary shortfalls, and, as a result, public colleges
2 and universities now receive more funding from student tuition
3 than from direct state support, according to a 2014 Government
4 Accountability Office study; and

5 WHEREAS, According to the Federal Reserve Bank of New
6 York, student loan debt has now reached \$1.16 trillion nationally,
7 which is more than triple the amount owed in 2005; and

8 WHEREAS, When Americans are burdened with student loan
9 debt, they are not able to buy homes, cars, and other products that
10 boost our economy; and

11 WHEREAS, College savings plans, such as the ScholarShare
12 College Savings Plan, help families to limit or eliminate future
13 student loan debt by helping them save for future higher education
14 expenses; and

15 WHEREAS, The contributions families make today pay off in
16 the form of an increased earning potential for their children in the
17 future, with a college graduate earning an average of \$1 million
18 more than a high school graduate during his or her career according
19 to the United States Census Bureau; and

20 WHEREAS, May 29th is recognized nationally as 529 College
21 Savings Day to help raise awareness across the country of the
22 importance of saving for college with the help of 529 college
23 savings plans; now, therefore, be it

24 *Resolved by the Assembly of the State of California, the Senate*
25 *thereof concurring*, That the Legislature of the State of California
26 hereby proclaims May 29, 2015, as 529 College Savings Day; and
27 be it further

28 *Resolved*, That the Chief Clerk of the Assembly transmit copies
29 of this resolution to the author for appropriate distribution.